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TAGS: PREL PGOV SNAR EC CO AR
SUBJECT: FM TAIANA ON ECUADORIAN PRESIDENT CORREA

REF: SECSTATE 05115

Classified By: AMBASSADOR E. ANTHONY WAYNE FOR REASONS 1.4 (B) AND (D)

¶1. (C) Summary: Correa represents "a new generation of Latin American leaders" Foreign Minister Taiana told the Ambassador in a meeting on January 16. He asserted that Correa is "not Chavez" and has demonstrated a willingness to negotiate early on, citing Correa's success in negotiating an agreement with Colombian President Uribe over notification of GOC fumigation activities along the border. Taiana expressed confidence in Correa's ability to manage the Ecuadorian economy, adding that Correa is unlikely to abandon dollarization despite high domestic prices and the erosion of the country's overall competitiveness. He described Correa's team as young, well-educated, and non-ideological, who will need help and advice. The Ambassador, drawing on reftel, stated that the USG seeks to steer Correa and his team (as well as other Ecuadorian political forces) toward a pragmatic path. End Summary.

Correa is not Chavez

¶2. (C) On January 16, the Ambassador delivered reftel points to Foreign Minister Taiana. The Minister asserted that Correa represents "a new generation of Latin American leaders--he is not Nicaragua's Ortega, Bolivia's Morales, or Venezuela's Chavez." He dismissed claims that Correa's January 14 visit to the Ecuadorian village of Zumbahua was an act of demagoguery, explaining that the visit was an "act of humility and respect" to a community where Correa had lived for a year as a young Catholic social worker. (Note: According to press reports, Chavez and Morales accompanied Correa to Zumbahua, where all three were cheered on by mostly indigenous supporters.) He asserted that Correa has demonstrated a willingness to negotiate early on, citing Correa's success in negotiating an agreement with Colombian President Uribe, where the GOC agreed to notify Quito of any plans to fumigate of coca fields along the border. Hopefully, Taiana said, Correa will be equally flexible in reaching a deal with ousted ex-President and opposition leader Lucio Gutierrez and others to initiate reform.

¶3. (C) Taiana noted Ecuador's long history of political instability, adding that Correa has joked that winning the Presidency is almost a guarantee that one will not be able to finish his or her mandate, as past Presidents have been either jailed or exiled. After the ouster of three presidents, Ecuador needs someone willing to achieve political consensus and practice good governance. Correa hopes to achieve this and combat rampant corruption, he stated.

¶4. (C) Taiana expressed confidence in Correa's ability to

manage the Ecuadorian economy, noting that Correa is a U.S.-trained economist who also studied at the Catholic University in Louvain. Correa has studied Argentina's experience with convertibility, (i.e., fixing the peso to the U.S. dollar), and believes Ecuador's dollarized economy has led to high internal prices and has eroded the country's overall competitiveness. Still, Correa indicated to Taiana that he is unlikely to abandon dollarization, as Ecuadorian society would not be able to absorb the policy change. In addition, Correa told Taiana he believes that Ecuador can avoid an Argentina-like financial crisis and sustain a dollarized economy for two reasons: 1) high petroleum prices; and 2) remittances from Ecuadorian immigrants in the United States and elsewhere.

Correa's Team is Young and Well-intentioned

¶5. (C) The Foreign Minister stated that GOA officials have already met and established good relations with Correa's team. In fact, the Ecuadorian government had already approached the Argentine MFA for technical assistance on bolstering its diplomatic corps' trade promotion efforts overseas. He described Correa's team as young, well-educated, and non-ideological, with the majority of them coming from the NGO sector, particularly environmental NGOs. They are well-intentioned individuals with a focus on sustainable development and will need help and advice. The Ambassador agreed on the need to build on these promising elements, stating that the USG seeks to engage Correa and his team in an effort to keep Ecuador on a pragmatic path. In closing, the Ambassador expressed his desire to continue a dialogue with the GOA on regional issues, to which Taiana agreed.

WAYNE